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ABSTRACT

This document provides wage and salary information (in the form of ratios) for young adults, ages 25-34. It is keyed to educational attainment and covers the years 1970 to 1996. The data show that in 1996, the median annual earnings of young adults who had not completed high school were substantially lower than that of their counterparts who had completed high school (31 and 36 percent lower for males and females, respectively). Young adults who had completed a bachelor's degree earned substantially more than those who had earned no more than a high-school diploma or GED. Findings show that between 1980 and 1996, the earning advantage of obtaining a bachelor's degree or other higher degree increased for males, rising from 19 to 54 percent. Furthermore, during that same period the earnings advantage of 25- to 34-year-olds with some college or a bachelor's degree or higher (relative to their counterparts who had completed high school) was generally greater for females than for males. The data are visually represented in two graphs. Both graphs show the median annual earnings of wage and salary workers whose highest education level were grades 9-11, some college, or a bachelor's degree or higher. (RJM)

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ED 430 322

INDICATOR OF THE MONTH

NATIONAL CENTER FOR EDUCATION STATISTICS

Annual earnings of young adults, by educational attainment

June 1999

Wages and salaries are influenced by many factors, including the employer's perception of the productivity and availability of workers with different levels of education and the economic conditions in the industries that typically employ workers with different levels of education. Annual earnings are influenced by the number of weeks worked in a year and the usual hours worked each week. The ratio of annual earnings of high school dropouts or college graduates to the annual earnings of high school completers is affected by all of these factors: it is a measure of the earnings disadvantage of not finishing high school and the earnings advantage of completing college.

- In 1996, the median annual earnings of young adults ages 25–34 who had not completed high school were substantially lower than those of their counterparts who had completed high school (31 and 36 percent lower for males and females, respectively). Young adults who had completed a bachelor's degree or higher earned substantially more than those who had earned no more than a high school diploma or GED (54 and 88 percent more for males and females, respectively).
- Between 1980 and 1996, the earnings advantage of obtaining a bachelor's degree or higher increased for males, rising from 19 to 54 percent.
- Since 1980, the earnings advantage of 25- to 34-year-olds with some college or a bachelor's degree or higher (relative to their counterparts who had completed high school) was generally greater for females than for males.

Ratio* of median annual earnings of wage and salary workers ages 25–34 whose highest education level was grades 9–11, some college, and a bachelor's degree or higher to those with a high school diploma or GED, by sex: 1970–96

	Grades 9–11		Some college		Bachelor's degree or higher	
Year	Male	Female	Male	Female	Male	Female
1970	0.84	0.69	1.10	1.19	1.24	1.68
1972	0.80	0.70	1.04	1.16	1.19	1.63
1974	0.81	0.62	1.02	1.19	1.14	1.74
1976	0.78	0.61	1.03	1.14	1.19	1.58
1978	0.77	0.54	1.05	1.17	1.18	1.55
1980	0.73	0.65	1.04	1.24	1.19	1.52
1982	0.71	0.66	1.12	1.21	1.34	1.63
1984	0.63	0.56	1.15	1.21	1.36	1.61
1986	0.69	0.65	1.18	1.21	1.50	1.78
1988	0.68	0.56	1.10	1.31	1.42	1.81
1990	0.71	0.58	1.14	1.34	1.48	1.92
1991	0.64	0.64	1.14	1.32	1.53	1.90
1992	0.68	0.76	1.13	1.34	1.60	2.00
1993	0.67	0.59	1.12	1.31	1.57	1.99
1994	0.68	0.58	1.14	1.20	1.52	1.86
1995	0.74	0.62	1.11	1.28	1.52	1.91
1996	0.69	0.64	1.14	1.27	1.54	1.88

* This ratio is most useful when compared to 1.0. For example, the ratio of 1.54 in 1996 for males whose highest education level was a bachelor's degree or higher means that they earned 54 percent more than males who had a high school diploma or GED. The ratio of 0.69 in 1996 for males whose highest education level was grades 9–11 means that they earned 31 percent less than males who had a high school diploma or GED.

NOTE: The Current Population Survey (CPS) questions used to obtain educational attainment were changed in 1992.

SOURCE: U.S. Department of Commerce, Bureau of the Census, March Current Population Surveys.

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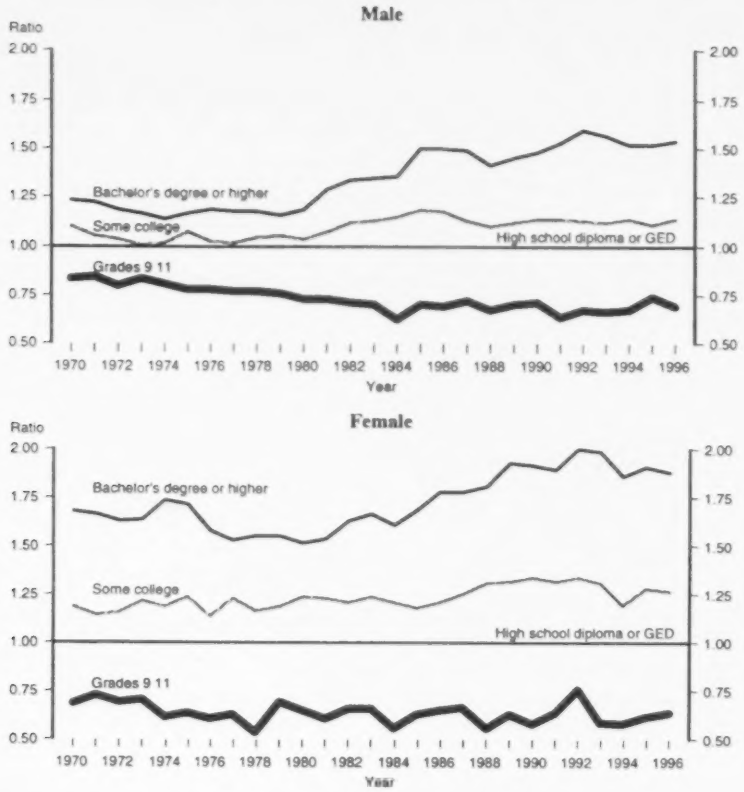

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